[*English*]

SHRI KODIKKUNIL SURESH: Sir, I want to know from the Minister whether the Government will take necessary steps to see that the Rubber Board supplies good quality rubber seedlings to the rubber growers. I will also like to know whether the Government intend to provide better training to the farmers(*Interruption*).

MR. SPEAKER: No, this question is about rubber research, not about farming. The question is disallowed.

Visit of German Delegation

*536. SHRI PRATAPRAO B. BHONSLE: Will the Minister of COMMERCE be pleased to state:

(a) whether a high powered German delegation visited India recently;

(b) if so, the details thereof;

(c) whether any discussions on investment and trade prospects between the two countries were held; and

(d) if so, the details and the outcome thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE ((SHRI P. CHINDAMBARAM): (a) Yes, sir,

(b) to (d). Two delegations from Germany visited India in the month of February, 1992. In their interaction with various Indian Industry Associations and others concerned, the possibilities for joint collaborations and setting up of production base for exports to third countries were explored, In addition, the scope for future cooperation in sectors such as Power, Transport, Telecommunications, Computer Software, Road Construction, Port Development, Mechanical Engineering and Chemicals, came up for discussion.

[*Translation*]

SHRI PRATAPRAO B. BHONSLE: Mr. Speaker Sir, the hon. Minister has not given an appropriate answer to my question. I want to know the conclusion arrived at during the discussion because the hon. Minister has said nothing about that I want to know clearly the names of those third world countries which have been discussed for exploring possibilities to make them the base of production for the purpose of export and what were those industries about which decision had been taken during the discussion. In case, no such decision was taken, is there any possibility to discuss it again ? The hon. Minister has stated in his reply that discussion was held with various Indian Industry Associations. I would like to know whether some high level officers were also present during the discussion.

[*English*]

SHRI P. CHIDAMBARAM: Sir, I am afraid, there is slight misunderstanding The delegations visited India at the request of our business and trade associations. They are not delegations invited by the Government of India. These are the delegations which had visited India under the suspices of Indo-German chamber of Commerce and another business associations. so the talks are between our businessmen of India and the businessmen of Germany. What we have gathered is the general nature of the talks. Specific proposals which one businessman from Germany or one business house of Germany may have discussed with another business house of India are certainly not within the knowledge of the Government unless they apply to the Government for approval of their linence after the permission. I have given the gist of the discussion which we have gathered from the Chambers of Commerce and the business houses of India when they discussed with the German delegations

[*Translation*]

SHRI PRATAPRAO B. BHONSLE: Hon. Mr. Speaker, Sir, it is on the basis of this very

reply that I would like to know the names of those third world countries having a production base for the purpose of export with whom joint collaboration was explored during the discussion. Secondly, if both the organisations could not arrive at a conclusion, is there any possibility for further discussion on it? I also wanted to know what sort of collaboration or participation the Government will have in it, but that too has not been replied.

[*English*]

MR. SPEAKER: He is asking about third countries export.

SHRI P. CHIDAMBARAM: Sir, what was discussed is that India and Germany can set up production been in India for export to third countries not necessarily to each other. Now, that depends upon which industry comes in, which industry is set up, what products are made and then exported. We are not at the stage of exporting now. We are exploring opportunities where German business and Indian business can set up joint-ventures not only to serving the Indian market or the German market but to third countries. These are the decisions which have to be taken by the two collaborating hoursesor collaborating businesses. Government is not aware unless the proposal comes to the Government for approval of license.

[*Translation*]

SHRI PRATAPRAO B. BHONSLE: Mr. Speaker, Sir, that is why I have asked whether there is any possibility of further discussion between the two countries.

[*English*]

MR. SPEAKER: There are two parts of question. Was there any Government officer present at the time of discussions? secondly, Is there any possibility of one more discussion between them?

SHRI P. CHIDAMBPARAM: We want to encourage as many visits as possible. Now, hon. Prime Minister went to the Germany; A business delegation went to Germany. Two delegations have come from there. We want as many delegations to come and as many number of times talks take place.

[*Translation*]

SHRI BHOGENDRA JHA: Mr. Speaker, Sir, there is nothing objectionable in it. However it is worth welcoming that the industrialists of our country are holding discussion with the German industrialists and the hon. Minister has mentioned several such fields of industry on which negotiations have taken place. But it is a matter of surprise that our Government is not seized of these negotiations. No official of our country attended that negotiation. That too is no problem. But it is strange that the Government has no information in respect of these negotiations. I, therefore, request the hon. Minister to inform this House about the points of discussion particularly, the modern technology. I would like to know whether negotiations were held to set up production base orindustries with the latest techniques- whether in the field of production of power plants or communication machinery or is there any negotiation being made to bring in industries which are more powerful than those we have either in the public sector or the private sector and thereby posing a threat to them? Is the Government making any effort to monitor and control it. Or is it a fact that an ass went to ask for horns but lost his ears? I want to know whether our existing industrial set up will survive or is going to collapse. The hon. Minister should, therefore, tell us categorically the fields in which negotiations have been made because it is in the interest of both the industrialists and the country to mention the fields in which negotiations have are being made.

MR. SPEAKER; He has stated that principally, they have concluded on agreement. however details thereof are yet to be worked out,

SHRI BHOGENDRA JHA: Mr. Speaker, Sir, I am talking of policy matters only. Please tell me whether the Government will adopt

indigenous technology or it will import it from abroad?

[*English*]

SHRI P. CHIDAMBARAM: Sir, I do hope hon. Member will recognise that the new industrial policy has been announced on 24th July last year and that these discussions take place between the businessmen of Germany or businessmen of any other country and businessmen of India under the auspices of the Indian and that country's Chamber of Commerce like FICCI, ASSOCHAM, CI and such other organisations. Government officers are not present at those discussions. In these discussions it is possible that agreements are arrived at, M.O.Us. are arrived at and businesses are set up. It is possible that the Chamber of Commerce, at one session, invites a Government officer to make a presentation on the new policy. In fact I am invited some times to speak to them on the policy of the Government. But individual agreements are not within the purview of the Government. We do not want to get into that. That is entirely for business houses to enter into with each other. If it is in the licensed sector, they will apply to us for a licence and then we will know whether permission should be granted or not. If it is in the de-lincecsed sector, they will simply start the industry. Now much of licensing has been taken away. Barring 18 industries, there is no licensing today.

If they want to set up a joint venture, if they come under the policy, in 34 industries upto 51 per cent foreign equity is permissible and the R.B.I gives automatic approval. of you wish to know the results of what has happened in 1991 and 1992 I will give the details.

As regards Indo-German collaborations, I may say that in 1991, 122 technical collaborations and 35 financial collaborations totalling 157 and involving an investments if Rs..41 80 crores took place. In 1992 January and February, 24 technical and 12 financial collaborations, totaling 36 and involving an investment of Rs.3.58 crores took place. This is between India and Germany.

DR. K.D. JESWANI: Mr. Speaker, sir, I would like to know from the hon. Minister whether this high power German delegation showed their desire to help the cyclone - affected people in Andhra Pradesh through the Indian Red Cross Society. If yes, what was their proposal?

SHRI P. CHIDAMBARAM: Sir, it clearly does not come out of this question.

MR. SPEAKER: Yes It is dis-allowed.

Foreign Exchange for Imports

537 SHRI INDRAJIT GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether the cost of imports is likely to increase tremendously for want of foreign exchange at official rate resulting in adverse impact on the economy of country in future;

(b) if so, the facts and details thereof; and

(c) the action taken/proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). The likely increase in the cost of imports effected through the market rate will not have adverse impact on the economy of the country. The new system of partial convertibility, accompanied with trade policy changes, will provide a stimulus to exports and other foreign exchange flows and will also enable easier access to imports without the need for licensing restrictions. This will have a beneficial impact. Further, the foreign exchange requirements of essential imports such as petroleum and oil product, fertilizers, defense and life saving drugs will be met through official exchange rate.

(c) Does not arise.

SHRI INDRAJIT GUPTA: Sir, about the last part of the answer given I just want to point out that he has listed petroleum oil as one of those items whose imports is to be financed by foreign exchange at the official